

13 Questions and Answers about the Sebewaing Cityhood Proposal

Village residents need to hear all the facts before they decide whether to become a city. The decision will be theirs alone, and they will have an opportunity to vote on the issue. Here are some of the questions Village residents should be asking.

1. Are there any hidden costs of being a city? If a city is formed, Village residents will have to pay more for many services they now get from the Township and for other hidden costs:

Election costs	New city voting machines	\$10,000
	Annual city election costs	3,200
Tax assessing and collection	Annual city assessing costs	11,000
	Annual city assessment & tax rolls	6,000
	Annual city tax appeals costs	2,500
	Annual city board of review	1,200
City manager costs¹	Annual salary & benefits	90,000
Emergency services²	74% of runs/cost	\$89,762
	Present village cost	<u>52,159</u>
	Added city cost	37,603
		37,603
Library costs³	67% of population	\$29,906
	Present village cost	<u>17,473</u>
	Added city cost	12,433
Road costs⁴	Annual Township contribution	23,001
Marina costs	Annual Township contribution	8,000
	Total added city costs	\$204,937
	Needed city tax millage increase	5.7336 mills

2. Would Village residents benefit financially from being a city? The Township spends as much or more for services to Village residents as it receives from Village taxes. If the Village becomes a city, it will need to replace these Township services, and increase the taxes to Village taxpayers. To maintain the same level of services Village residents presently receive, the new city tax millage will have to be substantially greater than the current Village tax millage.

3. Do cities usually charge higher taxes than villages? The average city levies about 4 mills more than the average village. No village has ever reduced its taxes in the long run by becoming a city.

4. Have other villages rejected cityhood? Oxford voted down cityhood last month, similar to the voters of Holly, Bellaire, and others. Sparta recently decided against cityhood, concluding that "becoming a city would only duplicate [township] services and increase city operational costs."⁵ Earlier this year, the State Boundary Commission rejected a cityhood proposal for Climax based on local opposition. Caro and Caseville are the only other villages that have city incorporation proceedings pending currently, but those villages have not drafted and approved city charters.

5. How much does it cost to incorporate as a city? About \$50,000 or more for attorney fees, charter drafting and as many as three special elections for the referendum and charter approval.

- 6. How long does it take to form a city?** Several years after filing in the Boundary Commission. Caro and Caseville filed more than 3 years ago and still do not have charters drafted and approved by the village voters.
- 7. Would cityhood help promote local development?** Villages and cities have exactly the same powers to foster economic development, but the Village is not using all of the authorized economic development techniques today. Many residents know that the largest barrier to local development is the Village tax millage, 17.4870 mills, which is already higher than most cities. Since cityhood would probably raise taxes further, it would not likely promote development.
- 8. How would city status affect my Homestead Tax Credit?** If the Village does reduce the tax millage, it will also reduce the amount of the Homestead Credit on your state taxes.
- 9. Will cityhood affect the amount of state revenue sharing to the Village?** Most of the Village's state revenue sharing (constitutional) is based only on population, and would not be affected. A smaller portion (statutory) is computed by a formula with several factors, but the state has been steadily reducing this portion, so revenue sharing would not likely increase.
- 10. Would the Village receive higher road payments if it became a city?** No. The state pays the Village road money under Act 59 based on the miles of roads within the Village. Cityhood will not change this.
- 11. Will cityhood affect local government relationships?** Incorporation as a city may be potentially divisive within the community, especially if the new city finds it must pursue further annexations to pay its increasing costs of duplicating township services.
- 12. Would cityhood allow the Village to become independent?** The Village already has its own governing council, and levies its own taxes. The Village has its zoning and other ordinances, completely independent from the Township. Village residents have their own police department. These and other powers are completely separate from the Township, and distinguish the Village as an independent and self-governing municipality.
- 13. Will Village electors be allowed to have a say on cityhood?** Village residents can tell the Boundary Commission at the public hearing, or in writing within 30 days after the public hearing, whether they support or oppose the cityhood proposal. If the State Boundary Commission approves the incorporation, Village voters can request a referendum election by filing a petition signed by at least 5% of the registered Village electors. Village electors will have the last word on the cityhood issue.

¹ Almost all Michigan cities have city managers.

² Village residents pay for 43% of fire and ambulance costs, but 74% of the fire and ambulance runs are in the Village.

³ Village residents pay for 43% of library costs, but they are 67% of the population using the library.

⁴ The Township has used its road millage for the following recent Village road projects: E. Street improvements, \$11,346.45; street improvements around Lapeer Metal plant, \$117,158; Bay Street sidewalks, \$32,500; total \$161,004.45.

⁵ October 19, 2005, Report of Sparta Cityhood Investigatory Committee.

CITY ELECTIONS – PRIMARY AND GENERAL ELECTIONS

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Costs:

- Election Inspectors – Minimum of 3; recommend 4-5**
- Supplies – AV Envelopes, postage, applications**
- Advertising Costs – currently split between 30 townships and cities.**
- The county of Huron charges \$100 for each of the August and November elections for the County Clerk to program the Optech Insight memory pack. Plans are for the costs to increase in 2009**
- Special Election Costs are paid for entirely by the unit having the election unless it is combined with other units – the cost is split accordingly.**

Election Equipment:

- **Must use Optech Insight equipment. It is also required that each precinct have an AutoMARK disabled writing machine.**
- **Any cost for voting equipment would NOT be split with the township. The City will pay the total cost of the equipment.**
- **The current cost of an Optech Insight is approximately \$4,800**
- **The cost of the mandatory ADA equipment is approximately \$4,600.**
- **Maintenance Fees – After the current Help America Vote Act funding is over, maintenance on both pieces of equipment will cost approximately \$300.00**
- **Supplies for equipment: paper for machine, marking pens**
- **Voting booths – approximately \$150.00 each. If Sebewaing becomes a City, you would need 1 voting booth for every 300 voters. There are 1392 voters in the Village of Sebewaing, so you would need a minimum of 5 booths.**
- **The City would need ballot containers to seal ballots in. Average cost: \$100 to \$200. Village containers could be used if they are certified by the Board of Canvassers.**

Other information to consider:

- **The City would become a separate precinct. Although two precincts can vote in one building, there must be enough space to provide two voting lines, machines, booths, etc.**

To: Department of Labor & Economic Growth
State Boundary Commission
Bureau of Construction Codes
P.O. Box 30704
Lansing, MI 48909

From: Michael Janowicz
661 E. Hickory Ct.
Sebewaing, MI 28759

To Whom It May Concern:

I am writing this letter to voice my total opposition to the proposed expansion of the Sebewaing Village boundaries that would include the Hickory Court subdivision as proposed in area A, Docket # 08-I-1.

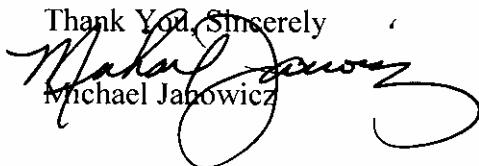
It is my assumption that the State Boundary Commissions job is to make recommendations for the potential growth in any area. In determining this growth potential in Hickory Ct and the other recommended areas, there are very little opportunities to grow. Hickory court is fully developed and has been paid for by the residents of Hickory court. Also in reviewing area B, I don't think the soccer fields behind the school have much prime growth potential. The only potential growth would be in the pockets of the village on the huge property tax revenue gain from the townships richest residential tax base.

From the residents of Hickory Court I have spoken with, they have all indicated and I would fully agree with, that the effects of this land grab and the additional property tax obligation it will create will not only be devastating to the 22 of 41 households owned by retirees in the court but it will also cause additional property devaluation due to the very high taxes, and utility cost imposed by this shift from township to village. Of the 41 homes in the Hickory Ct subdivision there are 8 homes currently for sale (20 % of the homes). Some are indicating our utilities cost would decrease to off set the additional tax burden, but with the high utility revenue that Hickory court residents provide to the Village this is very unlikely to happen.

No one in Hickory Court is opposed to the idea that the village wants to become a city, and the village residents will ultimately make that decision. The village has made two different attempts to encourage and promote Sebewaing by the development of two different subdivisions. Both have fail miserably and have cost the tax payers of Sebewaing a lot of money. Of the 46 potential building sites established only 3 homes have been building. No doubt housing is down but the construction of these 3 home occurred several years ago when the housing market was good. My point is, Sebewaing can become a city without any boundary change and history has shown that even when the Village provided the means to grow with the new subdivision, people have stayed away.

I would encourage the State Boundary Commission to reconsider and eliminate the proposed boundary changes. The people affected by the change have nothing to gain and everything to loose. Hardships created for the elderly, higher taxes, devaluation of property values I don't feel is what the Boundary Commission had in mind when the changes where discussed.

Thank You, Sincerely


Michael Janowicz